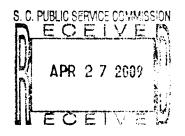
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April 24, 2009

Jocelyn G. Boyd, Deputy Clerk Public Service Commission of S.C. P.O. Drawer 11649 Columbia, SC 29211

Dear Ms. Boyd,



Thank you for your recent phone call alerting me to the cancellation of the public hearing in Spartanburg (Docket No. 2009-12-S) on April 27 regarding Aqua's application for approval of a New Schedule of Rates and Charges for Sewerage Services Provided to Customers in Spartanburg County.

As a resident of Wellford S.C. (Spartanburg County) affected by this proposal, I would like to present my testimony in writing and would be willing to confirm it under oath. The points I wish to present are posted below.

### CURRENT ECONOMIC RECESSION

Due to the poor economy, people are losing their jobs, homes and investment savings. I currently pay an average of \$50.16 per month for the combined services of water and sewage (Aqua) via the billing services of SJWD (Startex, Jackson, Wellford, Duncan Water District). Residents under this current plan are already paying higher rates than perhaps half the residents in Spartanburg County. Other than to discontinue these services, we have no other options but to resist the increased rates.

### **AOUA vs. N.C. UTILITIES COMPROMISE OF 2008**

According to Internet research, Aqua was willing to compromise with the N.C. Utilities Commission in 2008 to scale back its rate increase. Would they be willing to do the same in S.C. as a result of issues I am presenting in this document? While I realize their rates have not increased in recent years, why must it now increase so dramatically?

# AQUA WEBSITE BOASTS OF PROFITS, RAPID NATIONAL EXPANSION AND POSSIBLITY OF STIMULUS FUNDS FROM OBAMA ADMINISTRATION

Excerpts include:

"In 2008, Aqua America subsidiaries completed a total of nine acquisitions in Pennsylvania, Texas, Indiana and Florida, serving approximately 18,000 additional people."

"PENNVEST awards money to utilities like Aqua with 'shovel ready' projects that already have been designed and permitted. "These 'shovel ready' projects are like those referenced in President Obama's economic stimulus package, which is currently being considered by Congress," said DeBenedictis who is very proud of the continued forward movement Aqua America has made in the current economic climate. "Because our strong balance sheet continues to allow us to access the capital markets, our subsidiaries are continuing to make the types of capital investments like those called for in the economic stimulus plan."

"While other companies are finding it difficult to borrow money and grow, we are proud of the fact that we have been 6 Deckert able to continue to access capital markets and grow our customer base."

"The March dividend payment of \$0.135 per share is eight percent higher than the dividend the company paid in March 2008 of \$0.125 per share. Agua has paid a consecutive quarterly dividend for more than 60 years."

"Its aggressive growth-through-acquisition strategy has resulted in nearly 200 acquisitions and growth ventures in the last ten years. These growth ventures have allowed Aqua America to achieve its growth goals and has had a favorable impact on its financial performance."

While I appreciate Aqua's desire to present favorable news to stockholders and investors via its website, it appears Aqua is quite capable of maintaining its contractual obligation to SJWD and its Spartanburg base without a rate increase.

# **QUALITY OF AQUA'S CURRENT SERVICE**

On December 22, 2008, there was a major sewage spill on my property from Aqua's sewer line, in which an estimated 10 gallons per hour flowed downhill into a brook about 10-15 feet from the spill. Overall, approximately 10,000 gallons spilled because the problem was not corrected until a full 24 hours had passed.

It took 13 days working in conjunction with SJWD, South Carolina DHEC, Drain Doctors and Aqua N.C. to finally get the spill under control.

The brook, which feeds into the Middle Tyger River about 100 yards downstream, took much longer to recover, as it was very cloudy and had a foul odor. The soil on my property in the effected area is still raw, although lime and other substances were placed on it to reduce or eliminate additional contamination. I have digital photos of the contamination, and phone numbers for most of the people involved in this recovery process. I would be happy to supply this documentation if necessary.

Sewage spills on my property have occurred three times in the 22 years I've lived here, as well as twice on my neighbor's property, and at least once at the pump station located directly on the Middle Tyger River. I've heard others complain of the same thing on their property. Of course, Aqua didn't take over the system until 1992 (I think).

The crew from Drain Doctors, which is contracted with Aqua for servicing the sewer lines, claims the pipelines are too small for this neighborhood of 450-500 homes, and that they are supposed to be cleaned on a routine basis. However, they only do it when instructed by Aqua, and that's very infrequent, they claim.

Thus, my next question....

### HOW IS THE ADDITIONAL REVENUE GOING TO BE SPENT?

Will we get a new, more adequate infrastructure and regular servicing, or will we continue to risk having the system eventually back up into a home and cause several thousand dollars worth of damage?

## Last but not least, why was the April 27 hearing in Spartanburg cancelled?

Thank you for your time. I look forward to hearing back from you.

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